



LEE AND CROWLEY

ACCOUNTANTS & ADVISORS

Reclaim Childhood, Inc.

Financial Statements

Period from January 1, 2019 to August 31, 2019

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Reclaim Childhood, Inc.

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LEE AND CROWLEY

Independent Accountant's Review Report

To the Board of Directors
Reclaim Childhood, Inc.
Cambridge, Massachusetts

We have reviewed the accompanying financial statements of Reclaim Childhood, Inc., which comprise the statement of financial position as of August 31, 2019, and the related statements of activities, functional expenses, and cash flows for the period from January 1, 2019 to August 31, 2019, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Lee & Crowley, LLC

March 30, 2020
Boston, Massachusetts

Reclaim Childhood, Inc.

Statement of Financial Position

August 31, 2019

Assets

Current Assets:

Cash and cash equivalents	\$	315,926
Contributions receivable		15,436
Prepaid expenses		5,284
Total current assets		<u>336,646</u>

Total Assets

\$ 336,646

Liabilities and Net Assets

Current Liabilities:

Accrued Expenses	\$	<u>522</u>
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Total Liabilities

522

Net Assets:

Without donor restrictions		326,468
With donor restrictions		9,656
Total Net Assets		<u>336,124</u>

Total Liabilities and Net Assets

\$ 336,646

See accompanying independent accountant's review report and notes to the financial statements.

Reclaim Childhood, Inc.

Statement of Activities

Period from January 1, 2019 to August 31, 2019

	Without Donor Restriction	With Donor Restrictions	Total
Revenues:			
Contributions	\$ 211,063	10,875	\$ 221,938
Government grants	-	9,998	9,998
Net assets released from restrictions	11,217	(11,217)	-
Total revenues	<u>222,280</u>	<u>9,656</u>	<u>231,936</u>
Expenses:			
Program services	114,082	-	114,082
Support services	18,466	-	18,466
Fundraising	14,655	-	14,655
Total expenses	<u>147,203</u>	<u>-</u>	<u>147,203</u>
Change in Net Assets	75,077	9,656	84,733
Net Assets, beginning of period	<u>251,391</u>	<u>-</u>	<u>251,391</u>
Net Assets, end of period	<u>\$ 326,468</u>	<u>\$ 9,656</u>	<u>\$ 336,124</u>

See accompanying independent accountant's review report and notes to the financial statements.

Reclaim Childhood, Inc.

Statement of Functional Expenses

Period from January 1, 2019 to August 31, 2019

	Program Services	Support Services	Fundraising	Total
Direct program expenses	\$ 53,741	\$ -	\$ -	\$ 53,741
Employee compensation	23,662	11,831	11,831	47,324
Contract labor	18,934	-	-	18,934
Travel and housing	11,000	-	-	11,000
Payroll taxes	1,810	905	905	3,620
Dues and subscriptions	-	3,297	-	3,297
Occupancy	2,159	892	-	3,051
Employee benefits	837	419	419	1,675
Fundraising expenses	-	-	1,500	1,500
Professional fees	-	522	-	522
Miscellaneous	1,939	600	-	2,539
Total	\$ 114,082	\$ 18,466	\$ 14,655	\$ 147,203
Percentage of Total	77%	13%	10%	100%

See accompanying independent accountant's review report and notes to the financial statements.

Reclaim Childhood, Inc.

Statement of Cash Flows

Period from January 1, 2019 to August 31, 2019

Cash Flows From Operating Activities:	
Change in net assets	\$ 84,733
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Increase in cash resulting from a change in:	
Contributions receivable	30,373
Prepaid expenses	1,591
Accrued expenses	522
Net Cash Provided by Operating Activities	<u>117,219</u>
Net Increase in Cash and Cash Equivalents	117,219
Cash and Cash Equivalents, beginning of period	<u>198,707</u>
Cash and Cash Equivalents, end of period	<u><u>\$ 315,926</u></u>

See accompanying independent accountant's review report and notes to the financial statements.

Reclaim Childhood, Inc.

Notes to Financial Statements

1. Business and Organization

Reclaim Childhood, Inc. (the “Organization” or “Reclaim Childhood”) is a 501(c)(3) organization empowering refugee and local women and girls through sport and play in the country of Jordan, located in Western Asia. The Organization runs three programs: After-School Programming, Qudrati Teen Leadership Programming, and Summer Camps.

After-School Programming: This is a twelve week season in fall and spring where girls participate in soccer, basketball, and/or frisbee practice. The Organization’s coaches go through a weeklong training before each season. There are four practices per week in the cities of Amman and Zarqa, Jordan, and about two hundred girls participate per season.

Qudrati Teen Leadership Programming: Teen participants attend weekly Saturday discussion sessions focused on issues relevant to their lives and developing their capacity to serve as leaders and agents of change in their communities.

Summer Camps: With the help of American college volunteers, local Jordanian student volunteers, and local coaching staff, the Organization runs four weeks of summer camp programming, two in Amman and two in Zarqa. Each week, seventy-five girls have the opportunity to play soccer, basketball, frisbee, and dance.

The Organization’s sources of revenue and support consist primarily of government grants, fundraising activities, and contributions from the general public.

2. Summary of Significant Accounting Policies

Accounting Period

The Organization has elected to change its accounting period from a December 31 calendar year end to a August 31 fiscal year end. This change was made effective January 1, 2019. These financial statements include the period from January 1, 2019 to August 31, 2019.

New Accounting Pronouncement

In May 2014, the FASB issued ASU 2014-09 - *Revenue from Contracts with Customers* (ASC 606), which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. The Organization adopted ASC 606 on January 1, 2019. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued reviewed financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

See accompanying independent accountant’s review report.

Reclaim Childhood, Inc.

Notes to Financial Statements

Basis of Presentation

The Organization presents its financial statements on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United State of America (“GAAP”).

Net Assets

Net assets are classified as without donor restrictions or with donor restrictions, when appropriate, to properly disclose the nature and amount of significant resources that have been restricted in accordance with specified objectives as follows.

Without Donor Restrictions: Net assets that are not subject to donor-imposed stipulations and may be designated for specific purposes by action of the Board of Directors.

With Donor Restrictions: Net assets whose use is limited by donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by the Board of Directors or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until conditions are met.

At August 31, 2019, the Organization’s contributions receivable consisted of unconditional promises in the amount of \$15,436, all which are expected to be collected within one year.

See accompanying independent accountant’s review report.

Reclaim Childhood, Inc.

Notes to Financial Statements

The Organization provides an allowance for doubtful accounts equal to estimated contribution defaults. The estimated defaults are based on historical collection experience together with a review of the current status of the existing receivables. At August 31, 2019, no allowance for uncollectible contributions was deemed necessary.

Revenue Recognition

The Organization recognizes revenues from government grants, fundraising activities, and contributions from the general public throughout the year and during events and programs put on by the Organization. Revenue is recognized when the cash has been received from the donor, or when a donor pledge is supported by a signed donor agreement or e-mail.

Revenues received are recorded as net assets without donor restrictions or net asset with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Revenues that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted revenues are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among After-School Programming, Qudrati Teen Leadership Programming, and Summer Camps program services and supporting services benefit. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expenses	Method of Allocation
Employee compensation	Time and effort
Occupancy and facilities	Square footage
Payroll taxes	Time and effort
Miscellaneous	Time and effort

Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and, accordingly, does not provide for income taxes. An exemption was granted to the Organization on June 15, 2009.

Under ASC 740, an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Organization does not believe it has taken any material uncertain tax positions, and, accordingly, it has not recorded any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the

See accompanying independent accountant’s review report.

Reclaim Childhood, Inc.

Notes to Financial Statements

Organization has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where so required. For the period ended August 31, 2019, there were no interest or penalties recorded or included in the statements of activities.

Subsequent Events

The Organization has evaluated subsequent events through March 30, 2020, which is the date the financial statements were available for issuance.

3. Concentrations

The Organization has a potential concentration of credit risk in that it sometimes maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation (“FDIC”). The maximum deposit insurance amount for interest-bearing and noninterest-bearing accounts, which is applied per depositor, per insured bank for each account ownership category, is \$250,000. As of August 31, 2019, the Organization had \$65,926 deposits in excess of FDIC limits.

Transactions with one donor accounted for 10% of the Organization’s revenues for the period ended August 31, 2019.

Transactions with two donors accounted for 100% of the Organization’s contributions receivable at August 31, 2019.

4. Availability and Liquidity

The following represents the Organization’s financial assets available within one year of the balance sheet date for general expenditures at August 31, 2019:

Financial assets at period end:	
Cash and cash equivalents	\$ 315,926
Contributions receivable	<u>15,436</u>
Total financial assets	<u>\$ 331,362</u>

The Organization’s goal is generally to maintain financial assets to meet at least 90 days of operating expenses (approximately \$75,000). As part of its liquidity plan, the Organization may deposit excess cash into money markets or certificates of deposits.

5. Operating Lease

The Company leases office space as a tenant-at-will under a month to month agreement in Cambridge, Massachusetts. Under the agreement, the Company is required to pay monthly payments ranging from \$129 to \$139.

In April 2019, the Company entered into an agreement to lease office space in Jordan. The lease expires March 31, 2020. Under the agreement, the Company is required to pay monthly payments of \$432.

See accompanying independent accountant’s review report.

Reclaim Childhood, Inc.

Notes to Financial Statements

Total rent expense for the operating leases was \$3,051 for the period ended August 31, 2019.

6. Net Assets

Net assets with donor restrictions were as follows for the period ended August 31, 2019:

Specific Purpose:		
Contributions receivable	\$	9,656

See accompanying independent accountant's review report.